

## Message Text

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ACTION EB-08

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 DODE-00  
DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09  
OES-06 L-03 AGR-05 /047 W  
-----260454Z 116061 /17  
R 252329Z APR 77  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 8899

LIMITED OFFICIAL USE MANILA 6205

E.O. 11652: NA  
TAGS: EWWT, RP  
SUBJECT: SHIPPING: DEPARTMENT OF TRADE PROMOTES NEW SHIPPING  
COMPANY

1. THE PHILIPPINE SHIPPERS COUNCIL, A CREATURE OF THE DEPARTMENT OF TRADE, IS CONTINUING ITS PURSUIT TO DEVELOP THE PHILIPPINE MERCHANT MARINE AS A MEANS OF FIGHTING THE CONFERENCES AND OBTAINING CHEAPER RATES FOR PHILIPPINE EXPORTS. IT IS THUS PART OF THE PD 894 SYNDROME (SEE MANILA 5573). PSC'S LATEST IDEA IS A NEW SHIPPING COMPANY WHICH WOULD CHARTER SIX CARGO VESSELS TO CARRY COPRA AND PLYWOOD ABROAD AND BRING BACK COTTON AND PAPER BOARD. TO BE CALLED PHILIPPINE SHIPPERS, INC., THE NEW COMPANY WILL AVAIL ITSELF OF THE \$158 MILLION NORWEGIAN LOAN FOR THE PURCHASE OF ITS OWN VESSELS. (SEE MANILA 2068).

2. THE PSC HAS INVITED FIVE MAJOR CONGLOMERATES TO PARTICIPATE IN ITS NEW COMPANY -- AYL, SORIANO, TABACALERA, SARMIENTO, AND THE TEXTILE MILLERS ASSOCIATION OF THE PHILIPPINES (TMAP). EACH HAS BEEN ASKED TO SUBSCRIBE P 4 MILLION WORTH OF THE PROPOSED P 20 MILLION CAPITAL .

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3. THE PHILIPPINE CONGLOMERATES ARE LISTENING POLITELY TO THE GOP OFFICIALS AND, WHILE NOT WISHING TO OFFEND THEM, ARE QUIETLY OPPOSED TO THE WHOLE SCHEME. THE TMAP REPRESENTATIVE TOLD THE GOP ORGANIZERS THAT THEIR MEMBERS OBTAIN COTTON FROM 10 U.S. PORTS AND STAGGER THEIR SHIPMENTS TO ENSURE A CONTINUOUS SUPPLY FOR PRODUCTION. THE TMAP COULD NOT SEE HOW THE NEW LINE

COULD SERVICE ITS NEEDS. THE TABACALERA AND SORIANO GROUPS ARE ALSO OPPOSED, FOR THEY REPRESENT CONFERENCE LINERS.

4. COMMENT: THE CONCEPT APPEARS TO BE THE IDEA OF LEANDRO C. MARIANO, ASSISTANT EXECUTIVE DIRECTOR OF PSC WHO WISHES TO MAKE A NAME FOR HIMSELF. THE PSC IS ALSO UNDER ATTACK FOR HAVING SPENT A LOT OF MONEY AND PRODUCED NOTHING CONCRETE. THE NEW COMPANY, IF IT IS EVER ESTABLISHED, IS GOING TO BE A COMPETITOR OF THE PHILIPPINE NATIONAL LINE WHICH WAS CREAETED BY PRESIDENTIAL DECREE NO. 900 AND WHICH WAS SUPPOSED TO DO THE SAME THINGS AS THE PHILIPPINE SHIPPERS, INC. THE PNL IS THE CREATURE OF THE MARITIME INDUSTRY AUTHORITY. SEE MANILA A-75, MARCH 16, 1976.  
SULLIVAN

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
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**TAGS:** EWWT, RP  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009